United Nations E/2008/21

Economic and Social Council

Distr.: General
25 April 2008

Original: English

Substantive session of 2008
New York, 30 June-3 July 2008
Item 4 of the provisional agenda*
The role of the United Nations system in implementing the Ministerial Declaration of the high-level segment of the 2007 substantive session of the Economic and Social Council

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Report of the Secretary-General

Summary

By its decision 2007/261, the Economic and Social Council decided to focus the coordination segment of its substantive session on reviewing the role of the United Nations system in implementing the 2007 Ministerial Declaration on strengthening efforts to eradicate poverty and hunger, including through the global partnership for development. The Declaration stresses the need for a comprehensive approach to achieving by 2015 the eradication of extreme poverty and hunger, and identifies a number of policy areas where urgent action is needed.

The present report provides an overview of United Nations system efforts on a broad range of areas highlighted in the Declaration and assesses the role of the United Nations system against the backdrop of current challenges facing developing countries. It identifies areas in which the United Nations system needs to promote more comprehensive and effective approaches, and makes recommendations on ways in which United Nations system support can be strengthened.

* E/2008/100.

08-31923 (E) 190508

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I. Background

1. By its decision 2007/261, the Economic and Social Council requested the Secretary-General to examine the role of the United Nations system in implementing the 2007 Ministerial Declaration on strengthening efforts to eradicate poverty and hunger, including through the global partnership for development.

2. The Ministerial Declaration reiterates the multidimensional nature of the challenge against the backdrop of current and emerging challenges. It underscores that a successful approach to eradicating poverty and hunger cannot rely only on narrowly focused policy instruments and sector-specific international support, but should also be tied to a comprehensive national strategy to address poverty and hunger from a broad developmental perspective. In particular, it stresses the need to take action in a number of strategic areas to reduce poverty and hunger, such as rural and agricultural development, employment creation, enterprise development, sustainable development, science and technology, and trade and financing for development. Those areas are identified as key elements of a comprehensive pro-poor development strategy.

II. Introduction

3. Substantive progress has been made to reduce poverty and hunger worldwide. The progress, however, has not been equally distributed. Despite greater national efforts, a number of factors still prevent progress in achieving the goal to eradicate poverty and hunger. The risks of mass poverty and food insecurity continue to loom over those who have graduated from the ranks of the extremely poor and hungry. Rapid population growth, changes in the demographic structure, continued land degradation, civil strife, natural and man-made disasters, climate change impacts, increasing commodity prices, global financial instability and slowing economic growth are adding to the national and global risks and challenges in achieving Millennium Development Goal 1.

4. If present trends continue, the world population will reach 7.7 billion in 2020, with most of the increase occurring in the urban areas of developing countries. The ratio of rural population, however, will remain high in sub-Saharan Africa and South and Central Asia, at 58 per cent and 63 per cent, respectively. Rapid population growth will strain already stretched natural resources, while the growing number of people in the working-age groups looking for employment, especially in the rural areas of developing countries, will further induce urban migration.

5. The number of urban dwellers is expected to reach 4.2 billion by 2020, 77 per cent of whom are residing in developing countries. Rapid and unplanned urban growth is likely to increase urban poverty as more people will live in crowded slums and informal settlements. By 2030, the number of people living in deplorable conditions in slums is likely to reach 2 billion, with urban poverty growing faster than rural poverty.

6. The rapid pace of urbanization and industrialization will worsen the problems of environmental degradation, climate change and energy shortage. Urban expansion is inevitably leading to encroachment on land, forests and watersheds. Unsustainable patterns of production and consumption have accelerated climate change and destruction of ecosystems. The increase in severe ecological shocks

through drought, flooding and hurricane is destructive and impacts most severely vulnerable countries and cities situated in coastal areas which have the least technological capabilities and infrastructure to adapt to and mitigate climate change effects. Energy shortages caused by rapidly increasing demand have created significant new problems. Rising costs of crude oil, compounded with increasing demand for alternative sources of energy, such as biofuel produced from corn, are strongly influencing food prices, with significant impacts especially on poor countries, which are net importers of food and energy. Food aid emergency programmes and the United Nations agencies dealing with emergency food aid are finding that their reduced budgets can only support smaller actual deliveries.

7. The 2007 Ministerial Declaration contains a call for urgent action to promote effective and sustainable use of natural resources, increased agricultural productivity, non-agricultural sector development, creation of decent and productive jobs in agriculture and in the non-farm economy, and increased access to markets and financial services as integral elements of a pro-poor national comprehensive development strategy.

8. While national Governments have the primary responsibility to formulate and implement such a strategy, the international community plays a critical role in expanding development opportunities for developing countries through supportive global programmes, measures and policies. In this regard, the Ministerial Declaration underscores the importance of international support to (a) increase resources for development, (b) build developing countries' capacity to formulate effective policies in response to their specific circumstances and (c) promote fair international systems for, inter alia, trade, finance and technology transfer, which facilitate the integration of developing countries into the international economy.

9. The present report examines the efforts of the United Nations system to strengthen its role in line with the approach and policy areas identified in the 2007 Ministerial Declaration and to develop a more integrated system-wide response to support national development and poverty eradication strategies.

III. Overview of the United Nations approaches

10. The eradication of poverty and hunger has always been a central objective of United Nations development work. All United Nations system organizations have pursued that goal within their respective mandates, as set forth in the United Nations development agenda, which provides a framework for measuring progress. The 2007 Ministerial Declaration reiterates the need to implement the development agenda to eradicate poverty and hunger and takes a step further in this direction by consolidating the international consensus around a comprehensive framework for action.

11. The United Nations system has made some progress in integrating this framework in its policies, programmes and operations. A number of United Nations initiatives are under way to promote system-wide approaches ranging from joint efforts to measure and evaluate progress towards the achievement of the Millennium Development Goals, to joint studies to advance understanding of complementarities between relevant policy areas, and joint activities to build national capacity to formulate comprehensive development strategies and mobilize resources (see annex). Some of these initiatives and approaches are beginning to promote more

integrated United Nations responses in line with the thrust of the 2007 Ministerial Declaration. These initiatives fall in the following broad categories.

A. Measuring and evaluating progress

12. The 2007 Ministerial Declaration emphasizes the importance of the Millennium Development Goals framework to assess progress towards the realization of Goal 1. In line with that approach, the Secretary-General has launched a major communications and advocacy initiative to renew political momentum around the Millennium Development Goals and step up support to scale up their implementation in 2007 and 2008 at their midpoint towards the target year 2015. To support that process the Secretary-General has established a United Nations Millennium Development Goal Gap Task Force, whose main focus is to track existing international commitments made under Goal 8 to support the achievement of the Millennium Development Goals, determine the extent to which those commitments have been fulfilled at the international and country level, identify gaps in that regard that may prevent faster progress and suggest ways in which such gaps can be addressed.

13. The Task Force comprises United Nations system agencies, the International Monetary Fund, the World Bank, the World Trade Organization and the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee and aims at developing a common methodology for tracking progress and gaps and providing a common framework to monitor the commitments made under the Millennium Development Goals.

14. The framework will be critical to promote mutual accountability and partnerships among development actors in identifying and addressing resource gaps effectively. The first report of the Task Force will be submitted to the intergovernmental process in mid-2008. It will complement the ongoing efforts of the Inter-agency and Expert Group on Millennium Development Goals Indicators coordinated by the United Nations Statistics Division to monitor the outcomes of the goals, as well as the work of the MDG Monitor, which makes country-level information available to the general public.

15. The Secretary-General has also set up the Millennium Development Goal Africa Steering Group, which brings together the heads of the international development system, including the United Nations Development Programme (UNDP), as Chairman of the United Nations Development Group, to scale up progress to achieve the Millennium Development Goals in the region and implement existing commitments. The initiative aims at reviewing and assessing existing international implementation mechanisms to achieve the Millennium Development Goals in Africa, identifying key implementation bottlenecks and proposing ways to strengthen existing mechanisms or develop new ones. The Group will focus on gaps in day-to-day operational collaboration between United Nations system organizations and international financial institutions, including not only the African Development Bank and the Islamic Development Bank, but also the European Commission. The initiative will (a) map the international support mechanism for Africa in the five cluster areas of health, education, agriculture and food security, infrastructure and trade facilitation, and statistics in order to identify financial impediments as well as gaps in existing institutional mechanisms, (b) identify ways

to ensure aid predictability and (c) help enhance coordination in support of national development strategies to achieve the Millennium Development Goals. The Steering Group is supported by the Millennium Development Goal Africa Working Group, which is chaired by the Deputy Secretary-General.

B. Analytical support

16. United Nations system analytical work on the eradication of poverty and hunger aims at identifying complementarities between relevant policy areas and pointing out policy options available to developing countries so as to achieve that objective effectively. Efforts in that regard include building national capacities to analyse national constraints and opportunities, design effective development strategies and mobilize adequate resources for their implementation.

17. For example, the Department of Economic and Social Affairs of the Secretariat, together with UNDP, the World Bank and the regional commissions, has engaged in a number of capacity-building initiatives to assist developing countries to apply economy-wide modelling frameworks. Such frameworks help to analyse the complex interactions between production processes, labour markets, financial markets, household income distribution and human development and to understand how these factors contribute to the achievement of the Millennium Development Goals. The analytical framework proposed will help countries assess the effectiveness of economic and social policies towards the goals. It will also help them estimate the resources needed to achieve the goals and macroeconomic tradeoffs, which could emerge under different financing strategies, such as scaling up of aid, more foreign borrowing or increased domestic resource mobilization.

18. Eighteen Latin American and Caribbean countries have benefited so far from that work. Similar work is currently under way in five Arab States. The work already undertaken in seven African countries by the World Bank will be extended with United Nations support to seven other African countries and to a number of low-income Asian countries during 2008 and 2009.

C. Rural and agricultural development

19. The 2007 Ministerial Declaration reiterates the critical role of rural and agricultural development in eradicating mass poverty and food insecurity, mainly concentrated in the rural areas of developing countries. Pro-poor rural and agricultural development is critical for reducing the dependence of the rural poor on informal or subsistence livelihoods, improving access to markets and financial services, creating rural employment, reducing the vulnerability of the poor to the destruction of the natural resource base on which their livelihood depends and enhancing their access to water and sanitation services, electricity and basic health care.

20. Rural and agricultural development remains central to the United Nations approach to the eradication of poverty and hunger. The work of the Organization in this area addresses a broad range of issues concerning both short- and long-term needs and spans a broad range of United Nations programmes and activities. The World Food Programme (WFP), the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development

(IFAD) have adopted a common "twin track" approach to rural development, which recognizes that fighting hunger requires both (a) immediate, direct action to alleviate hunger for the most vulnerable and (b) longer-term programmes for rural and agricultural development, food security and nutrition to eliminate the root causes of hunger and malnutrition. Medium- and long-term interventions include promoting agricultural productivity, management of natural resources, adaptation to and mitigation of climate change, marketing infrastructure and activities, professional training of rural producers and smallholder farmers, rural and non-farm employment and the provision of financial services.

21. The work of the Organization in that area, however, needs to be further integrated and scaled up to promote synergies between the broad range of United Nations activities and to increase their impact on national efforts to eradicate poverty and hunger. There is a need for greater understanding of the linkages and complementarities between relevant policy areas at various stages of rural and agricultural development and greater coherence between United Nations programmes supporting short- and long-term objectives. For example, there is a need to understand the impact of agriculture on social development at different stages of economic growth in order to bridge the gap between agricultural and social policies. In that regard, the Commission for Social Development, at its forty-sixth session, stressed the need for agriculture to create opportunities for decent and productive employment in order to translate economic growth in developing countries into strong formal job creation for poverty eradication.

22. The Commission on Sustainable Development, at its eighth session, had already highlighted the need for major adjustments in agricultural, environmental and macroeconomic policies at the national and international levels to create the conditions for sustainable agriculture and rural development. The United Nations System Network on Rural Development and Food Security has helped continue a dialogue among United Nations agencies on that issue, whose progress will be reviewed by the Commission during its third implementation cycle in 2008-2009.

23. In the wake of unprecedented increases in food prices and the serious food crisis that has affected more than 37 countries in Africa, Asia and the Caribbean region, the Secretary-General has made a commitment to establish a High-level Task Force to coordinate the United Nations system response to the current food challenges, including their humanitarian, development, political and security dimensions. Among the objectives of the Task Force is the need to develop an international strategy to respond to global and country-level challenges and to address the immediate funding shortfalls to face food emergencies, in particular those appealed by WFP and other emergency partners.

D. Urban poverty

24. The issue of urban poverty also needs to be better understood in the context of poverty reduction and development strategies. Many developing countries are experiencing an increasing "urbanization of poverty", as evidenced by the unprecedented proliferation of slums and informal settlements, which now accounts for 70 per cent of the urban population. That trend is already the biggest obstacle to attaining the Millennium Development Goals, as the vast majority of slum dwellers lack access to decent housing, clean water and basic sanitation, energy supply,

health and education facilities, and safety and security. They are also at risk from such natural hazards as flooding and earthquakes. Rising food prices, which are hitting urban dwellers harder than the rural population, are creating a new source of hunger and poverty in the urban area, as urban dwellers are increasingly priced out of the food market.

25. The Second United Nations Conference on Human Settlements, held in Istanbul, Turkey, in 1996, had already called for sustainable urbanization and pro-poor urban development. The 2007 Ministerial Declaration further calls upon the organizations of the United Nations system to support the adoption of national poverty reduction strategies that take into account urban poverty. The integration of sustainable urbanization and urban poverty reduction in the United Nations Development Assistance Framework process is now a key challenge for the United Nations system.

E. Employment

26. The Economic and Social Council Ministerial Declaration of 2006 addresses the issue of full and productive employment and decent work for all. It reiterates the central role of employment and decent work for poverty eradication and development, and stresses the need for integrating those objectives into relevant national and international development and poverty eradication strategies to achieve the Millennium Development Goals. It requests the International Labour Organization (ILO) to take the lead in promoting a coherent approach to employment and decent work and facilitate its integration in the programmes and operations of the United Nations system. The 2007 Ministerial Declaration further reiterates the key role of employment to poverty reduction and reaffirms its centrality in national development strategies, including poverty reduction strategies.

27. Several collaborative initiatives have emerged within the United Nations system to support that approach. For example, the UNDP-ILO Action Plan 2007-2008 outlines collaborative work in support of full and productive employment and decent work for women and men as a central element in national strategies to reduce poverty and promote inclusive economic growth. ILO and FAO have made a commitment to work together to improve and diversify the livelihoods of the rural poor, both women and men, and to broaden opportunities for decent work and full employment in the rural areas. In particular, ILO and FAO are collaborating to promote the development of cooperatives in rural areas, aimed at creating rural employment and improving the living and working conditions of women and men globally, as well as making essential infrastructure and services available in areas neglected by State and private sector investments.

28. In 2007, the Chief Executives Board for Coordination (CEB) endorsed a toolkit for mainstreaming employment and decent work, prepared under the leadership of ILO to further promote United Nations system collaboration on employment and integrate that objective in the programmes and operations of United Nations system agencies. The toolkit provides a diagnostic checklist to assess how users' policies, programmes and activities impact on employment and decent work and determine where and how to make improvements. The results of the self-assessments will form the basis for the development and implementation of

an action plan by each agency to mainstream employment and decent work in its policies, programmes and activities.

29. The toolkit has also been adapted for country-level application. At the request of their Resident Coordinators, the toolkit has been applied at the country level in Egypt and in three United Nations pilot countries (Mozambique, the United Republic of Tanzania and Viet Nam). In those countries, the toolkit has been introduced to the United Nations country teams as a practical methodology for reviewing the United Nations Development Assistance Frameworks and national development frameworks to determine how to improve coherence and efficiency in delivering as one on decent work and poverty reduction. The next stage at the country level is to introduce the toolkit to national stakeholders.

F. Sustainable development

30. The 2007 Ministerial Declaration reiterates the close link between the objectives of poverty eradication, changing unsustainable patterns of production and consumption and protecting and managing natural resources, reaffirming them as overarching objectives of and essential requirements for sustainable development. Effective strategies to achieve those objectives effectively need to combine agricultural and industrial policies, science and technology, environmental management, and disaster mitigation and adaptation policies.

31. Current challenges have reinforced the need for this approach. The sustainable use of natural resources and energy for agriculture and industry has become a must not only to reduce the increasingly devastating effects of environmental degradation and climate change, but also to enhance and sustain agricultural productivity and food security.

32. Several inter-agency initiatives are making progress in that regard. The UN-Energy initiative, for example, was established in 2004 to help ensure coherence in the United Nations system's response to the World Summit on Sustainable Development with regard to energy. The initiative aims at promoting a system-wide collaboration approach on energy that takes into account its impact on industrial activities, job creation, transportation, commerce, microenterprise and agricultural development. It promotes a coherent and consistent approach of the United Nations system in that area.

33. The UN-Water initiative was established to help Member States in their efforts to achieve water and sanitation goals and targets in their follow up to water-related decisions of the 2002 World Summit on Sustainable Development and the Millennium Development Goals. The initiative aims at bringing coherence and integration in the work of separate United Nations agencies and programmes regarding water and sanitation and serving as a common United Nations voice in this area. The scope of that work encompasses all aspects of water resources, their development, assessment, management, monitoring and use, including domestic uses as well as agriculture and ecosystems requirements. The initiative also focuses on access to and use of sanitation and on issues related to water-caused disasters, emergencies and other extreme events, including their impact on human security.

34. Other United Nations initiatives aim at mainstreaming environmental concerns into poverty eradication and development strategies and into financing mechanisms

for poverty reduction. The UNDP-United Nations Environment Programme (UNEP) Poverty-Environment Initiative, for example, is a joint programme that provides financial and technical support to countries for mainstreaming poverty-environment linkages into national development planning processes, such as poverty reduction strategy papers and Millennium Development Goals achievement strategies. FAO, IFAD and the World Bank, in collaboration with the German Agency for Technical Cooperation, have worked together to support the delivery of improved financial services to rural households and businesses through the development of a Rural Finance Learning Centre that helps build the capacity of developing country organizations to deliver those services.

35. United Nations system organizations have also undertaken a number of joint studies and research aimed at assessing the impact of climate change on various dimensions of poverty and hunger. FAO and IFAD, for example, are planning to develop in 2008 a methodology to assess the impact of climate change in rural areas for use in national climate change adaptation strategies, while UNEP, WHO and ILO have worked on a joint study, entitled "Labour and the environment — a natural synergy", exploring the numerous links between labour and environmental protection.

36. An effort is under way, within the framework of CEB, to reduce the limitations caused by sectoral and institutional fragmentation in dealing with climate change and to develop a more coordinated United Nations system approach to the issue. The basis for that approach is the understanding that the response to climate change should be rooted in sustainable development and equity, and action should and can be carried out within the mandates entrusted to individual United Nations system organizations by the Member States. The overall objective is to make the system as a whole more responsive to the demands of Member States, as they emerge from the United Nations Framework Convention on Climate Change negotiation process and from the needs identified at the country level.

37. Mainstreaming the issue of climate change into United Nations system programmes and activities would help balance climate change needs with the need to achieve the internationally agreed development goals, including the Millennium Development Goals, mutually reinforcing efforts on both fronts. A recent report of the Secretary-General on United Nations activities in relation to climate change (A/62/644), provides an overview of the broad range of contributions that United Nations entities are already making and can continue to make in climate-proofing development, in line with their respective intergovernmental mandates. Under the chairmanship of the Secretary-General, CEB efforts are expected to lead to more concerted United Nations system action on climate change, with the involvement of all relevant United Nations entities, within existing coordinating and reporting mechanisms.

G. Science and technology

38. Technological innovation can play an essential role in accelerating progress towards the achievement of Millennium Development Goal 1 by improving industrial and agricultural productivity, promoting environmental protection, facilitating access to markets and social services, and improving human resources development and social inclusion. Access to technology has always been a major

concern for developing countries. That concern has been further aggravated by the fast pace of technological innovation and the growing importance of acquiring the latest skills to utilize new technologies. It is thus becoming increasingly difficult for developing countries, in particular the poorest ones, to harness the benefits of science and technology and the latest innovations.

39. Harnessing the potential of science and technology for poverty eradication and development requires combining science and technology policies with strategies that promote institutional capacities, skills and infrastructure necessary to acquire, adapt and disseminate technological innovation appropriate to developing countries' specific circumstances. In that regard, the 2007 Ministerial Declaration stresses the need to facilitate technology transfer and build developing countries' capacities to acquire, adapt and disseminate technologies, including new and environmentally sound technologies and the corresponding know-how.

40. The United Nations system support in that regard has focused on the following four areas: promoting awareness of scientific and technological developments relevant to economic and social development in developing countries; facilitating access, transfer, adaptation and diffusion of technological innovation through skills, institutional and infrastructure development; promoting technology transfer through South-South cooperation; and providing information on international science and technology-related treaties and protocols. The United Nations system has been promoting the use of science and technology to increase agricultural productivity, promote enterprise development, increase access to markets and social services, promote trade and investment flows, and improve human skills.

41. The United Nations Conference on Trade and Development (UNCTAD), for example, focuses on exploiting the full potential of information and communications technology for small and medium-scale enterprise development by helping to build stronger institutional infrastructures to support information and communications technology use among such enterprises, in particular among entrepreneurs in the informal sector and female entrepreneurs, and by improving the understanding of best practices to promote the use, diffusion and adaptation of technology among entrepreneurs.

42. FAO provides assistance to developing countries and development agencies for the formulation and implementation of sustainable agricultural water management strategies and programmes through an independent multi-donor trust fund, the International Programme for Technology and Research in Irrigation and Drainage. The fund finances research, exchange of technology, management innovations and capacity development in the irrigation and draining systems of developing countries.

43. The objective of the International Programme is to reduce rural and urban poverty, increase food security and enhance environmental sustainability by improving the access of farmers, farmers' associations and service providers to appropriate irrigation, drainage, water harvesting, salinity management and flood management technologies and practices.

44. FAO, IFAD, UNDP and the World Bank are co-sponsors of the Consultative Group on International Agricultural Research. The Consultative Group, in collaboration with national agricultural research systems, civil society and the private sector, fosters sustainable agricultural growth and food security to eradicate poverty and hunger through scientific research and related activities in agriculture,

forestry, fisheries, policy and environment. For example, the Group sponsors research on crop varieties to produce high-yield, disease-resistance crops in developing countries, especially in Africa.

45. The United Nations Educational, Scientific and Cultural Organization, through its project on technology and poverty eradication, aims at promoting access of poor people to technology by improving their knowledge of the important role of engineering and technology and small-enterprise development in poverty reduction and sustainable social and economic development. The project helps improve access to information and knowledge, and encourages local responses to a diversity of needs, using a variety of media.

46. The Science and Technology for Development Network, an initiative of the Commission on Science and Technology for Development, developed and maintained by UNCTAD, is another important effort to provide access to information on activities in the area of science and technology for development, including policies, programmes, projects, networking and partnership opportunities, and publications available online, carried out by, inter alia, United Nations organizations, other multilateral and bilateral development institutions and non-governmental organizations.

47. Despite those numerous initiatives, the United Nations system's approach to science and technology continues to be fragmented along the areas of work of various United Nations agencies. A more comprehensive United Nations approach to science and technology for poverty eradication will need to focus on the potential of science and technology to address all dimensions of poverty and hunger, including emerging challenges, such as climate change, biofuels, crop varieties and medicines for tropical diseases. That may also require increasing United Nations system capacity to focus on the broad range of technological innovations.

H. Trade

48. International trade is broadly recognized as an important driving force of economic growth and poverty reduction. Research on trade, however, has shown that the effects of increased trade on poverty reduction vary greatly among countries, depending on the types and level of diversification of the country's exports. Trade liberalization is thus no longer considered a panacea for poverty reduction. It is recognized that trade liberalization needs to be accompanied by industrial and other production sector development policies to be effective in that regard.

49. The United Nations approach to trade has long stressed that the successful conclusion of the Doha Development Round on trade needs to be accompanied by the strengthening of the productive sectors of the poorest countries which are at an early stage of development. It has also stressed the importance of addressing the needs of the most vulnerable groups of society in order to ensure that countries' productive sectors do not suffer adverse economic and social consequences from premature trade liberalization.

50. Aid for trade has been postulated as complementary to trade reforms to help countries cope with the major macroeconomic and microeconomic adjustments associated with trade reforms, including in the context of WTO trade negotiations.

The first Annual Global Review of Aid for Trade, jointly prepared by OECD and WTO, took place in Geneva in November 2007 and stimulated an important dialogue in countries and agencies on how to deliver aid for trade. The United Nations support to aid for trade has focused on generating supply-side responses where removing trade barriers on agricultural products may not trigger a strong export response in light of large shares of small-scale farming and general lack of infrastructure.

51. At the level of system-wide initiative, the task force on economic development of the High-level Committee on Programmes of CEB, under the leadership of the United Nations Industrial Development Organization, has developed an online Trade Capacity-Building: Inter-Agency Resource Guide on relevant services that are provided by the United Nations system.

52. At the level of individual initiatives, efforts have concentrated on promoting aid for trade and building the capacity of developing countries to mitigate the effects of trade barriers, negotiate trade agreements and implement trade reforms. UNCTAD, in particular, has focused on building national capacities to use trade to expand economic growth and employment opportunities to achieve the Millennium Development Goals. In selected Arab countries, it has set in place a sixth tranche theme, which focuses on supporting the implementation of internationally agreed development goals, including the Millennium Development Goals, through innovation, networking and knowledge management. This is part of an effort to promote subregional growth-oriented economic and trade policies and statistical analysis towards achieving the Millennium Development Goals.

I. Financing for development

53. Under Millennium Development Goal 8, developed and developing countries have committed to work in partnership to promote and finance development. Current levels of resources available to developing countries, however, continue to be insufficient to sustain progress in the long term and to reduce reliance on external assistance. Some progress has been made in recent years to increase the quality and quantity of financing through debt relief, official development assistance, market access and aid effectiveness, as promoted by the Paris Declaration. Efforts, however, are not yet on a sufficient scale and are still pursued within the context of donors' individual strategies rather than as part of comprehensive efforts based on national ownership and leadership.

54. The United Nations system approach to financing for development has focused on strengthening the capacity of developing countries to assess their resource needs and attract and manage international resources as well as generate and optimally utilize domestic resources. Assessing financial needs and formulating comprehensive investment planning is extremely difficult in some countries owing to the lack of data and precise information. A number of United Nations initiatives have focused on building capacity to assess resource needs, analyse trends and the impact of foreign aid flows, and identify alternative sources both externally and domestically to augment the total volume of financing, including through public-private partnership, multi-stakeholder approaches and regional cooperation for the delivery of public goods.

55. The Economic and Social Commission for Western Asia, for example, has carried out a study to analyse major trends and characteristics of aid flows in the Arab region and their impact on economic growth and social indicators. It has identified key policy areas that need to be addressed in order to make aid flows more effective. UNCTAD has focused on building the capacity of African countries to identify alternative sources of non-debt-creating external and domestic resources and augment the total volume of development finance available to productive sectors. The 2007 UNCTAD report, entitled *Economic Development in Africa* (*Reclaiming Policy Space: Domestic Resource Mobilization and Developmental States*), examines the potential of African countries to increase their total domestic financial resource envelope in order to reduce dependence on official development assistance, diversify their development resources and focuses on how to channel those resources into productive investments.

56. The United Nations system could also play a role in helping developing countries identify and address sector imbalances in their investment decisions and resource allocations. For example, the current rate of investments in social sectors compared to investments in agriculture will not enable the poorest countries in Africa to sustain their health and education systems in the long run. The United Nations system could help address that imbalance by promoting a broader conceptual framework to assess resource and investment needs, including resource requirements emerging from new and current challenges, such as climate change.

IV. Country-level experience and lessons learned for national and international interventions

57. It is widely recognized within the international community that there is no one-size-fits-all approach to address the problem of poverty and hunger. Effective policies and strategies need to take into account country-specific circumstances and needs. The role of the international community is to help developing countries build the capacities to use their policy space effectively and formulate appropriate strategies and policies for the achievement of their national development goals.

58. Countries that have been successful in substantially reducing poverty and hunger have experimented with different approaches. For example, China, Vietnam and other countries in the Asian region, which account for much of the recent poverty reduction rates worldwide, have emphasized investment-driven and labour-intensive economic growth. Their strategies have followed different policy blueprints tailored to specific local needs and macroeconomic constraints to growth, but have in common development strategies where growth and redistribution measures were mutually supportive through a combination of macroeconomic, industrial and technology policies. They have also placed great emphasis on raising skills and levels of human capital, creating formal job opportunities and delivering public social service.

59. In countries with large agricultural sectors, effective approaches have emphasized investments in rural and agricultural development and in agricultural manufacturing focused on labour-intensive methods. Those approaches have resulted in a significant number of new jobs in the rural area and reduced unemployment rates despite a growing labour force. In low-income countries in Africa (for example, the United Republic of Tanzania, Mozambique, Uganda and

Ghana) and in Asia (for example, Cambodia), where a majority of people live in rural areas with a large ratio of rural poor, successful strategies to eradicate poverty and hunger have emphasized a more holistic view of the agricultural sector that have stressed the need to coordinate interventions in critical areas outside the immediate purview of the Ministry of Agriculture, such as agricultural markets and rural infrastructure, including social and financial services. The adoption of multi-stakeholder modalities in those countries has helped promote strong local participation and ownership in the formulation of rural and agricultural sector policies, which are beginning to yield results in terms of employment and income-earning opportunities for an ever-growing population.

60. For a majority of poor countries, however, the challenge of breaking macroeconomic constraints on growth and implementing appropriate policies will continue to depend on the support of international institutions and donor countries. International support is essential to build national capacity so as to formulate development strategies that encompass the various dimensions of poverty within the broad Millennium Development Goals framework.

61. International development cooperation strategies have been most effective when they have been able to promote national dialogue on the nature and social costs of poverty in the context of the Millennium Development Goals framework. That approach has been especially effective in identifying policy trade-offs and presents Government with policy alternatives that address their specific macroeconomic constraints and objectives. The United Nations system has been able to do so by supporting and building national capacity to analyse development problems and constraints with strong local participation and ownership, in the formulation of poverty eradication strategies and sectoral policies. The United Republic of Tanzania, Vietnam and Cambodia are successful examples of that approach.

62. Evidence also suggests that the United Nations system can play a major role in promoting development strategies that link poverty eradication and growth policies more effectively. The poverty reduction strategy paper process and other similar development assistance frameworks, including the poverty and social impact analysis, have been commended in recent years for adding a social dimension that was missing in earlier strategies and for paying closer attention to the institutional context in which policies are designed and implemented. Nonetheless, there are still serious reservations about the policy content of those instruments and the extent to which they have extended real ownership to local policymakers. In particular, concerns have been expressed that the addition of social policies has allowed a rigid economic strategy and reform agenda to persist in the face of recurrent failure. A key challenge for the United Nations system is to ensure that existing frameworks are based on solid analysis of the social, environmental and economic impacts of various development policies, including those relevant to the eradication of poverty and hunger, and to promote local participation in and ownership of those instruments. It requires that the United Nations focus its support on building national capacity to analyse all important dimensions of poverty and hunger and promote national participation to ensure their inclusion in the formulation of national development strategies. It will also require that all those dimensions become key elements of the United Nations Development Assistance Framework process.

V. Conclusions

63. **The United Nations system has made some progress towards developing and pursuing more comprehensive approaches towards the eradication of poverty and hunger. That is particularly visible in the areas of employment generation, trade and rural and agricultural development. At the same time, more needs to be done to integrate sustainable development and science and technology dimensions in United Nations system programmes and activities in support of national poverty eradication efforts. Science and technology, trade and financing for development are also cross-cutting issues and need to be dealt with at the system-wide level.**

64. **Country-level experience offers some lessons on how United Nations system support could be strengthened. Evidence shows that the system has a role to play in helping develop national capacity and leadership in order to identify effective policies by promoting a better understanding of policy complementarities, for example, between social and agricultural policies and between technological innovation, poverty eradication and energy policies, and between bio-energy and food security policies. It also has a role in promoting a better understanding of national, regional and subregional challenges by promoting multi-stakeholder approaches and partnerships.**

65. **Harnessing this potential requires increasing collaboration within the United Nations system at the analytical, programmatic and operational levels. Increasing the system's analytical capacity is critical to its ability to provide policy support to developing countries. To that end, it is essential to promote inter-agency research, analysis and interdisciplinary studies on a broad range of issues. Further collaboration is especially needed in the areas of statistics, labour, trade and information and communications technologies in order to share the expertise and knowledge existing within the system that can be applied to different areas so as to promote pro-poor policies and strategies in developing countries.**

66. **Programme coherence and coordination, including through the CEB/High-level Committee on Programmes mechanism and other system-wide initiatives, is critical, especially in those areas where there is little progress towards a United Nations common approach, such as sustainable development and science and technology. The development of toolkits in those areas could be a valuable means of streamlining those dimensions in the programmes and policies of United Nations system organizations.**

67. **At the operational level, the United Nations system should make more effective use of existing frameworks and instruments for country-level support, such as the United Nations Development Assistance Framework, the poverty reduction strategy paper and the poverty and social impact analysis, to ensure that the various dimensions of poverty and hunger are taken into account in those frameworks. To that end, the participation of all relevant United Nations agencies in those processes is critical.**

VI. Recommendations

68. **The following recommendations are made:**

(a) Strengthen national capacity to analyse the social impact of rural and agricultural development, especially on employment, in order to facilitate the integration of social dimensions in strategies for sustainable rural and agricultural development;

(b) Build national capacity to analyse the impact of natural resource management, including water, land and forestry, on the livelihoods of those depending directly on those resources in order to integrate natural resource management and poverty alleviation policies in the context of national development strategies;

(c) Promote the integration of an "urban pillar", focused on the urban poor of populated slums, in the common country assessment and United Nations Development Assistance Framework processes to facilitate the inclusion of sustainable urbanization and urban poverty reduction in national poverty eradication strategies;

(d) Promote the integration of sustainable development and science and technology in the policies, programmes and operations of all United Nations system organizations to eradicate poverty and hunger, including through the development of system-wide toolkits;

(e) Promote a system-wide programme of work on science and technology, including information communications technologies, for poverty reduction. The programme of work should also include the formulation of pro-poor science and technology programmes and support to the development of institutional capacities in science and technology for poverty reduction;

(f) Promote joint inter-agency efforts to support the UNCTAD sixth tranche programme in its effort to strengthen the implementation of internationally agreed development goals, including the Millennium Development Goals, through innovation, networking and knowledge management;

(g) Encourage development of analytical tools for identifying sector imbalances in resource and investment allocations, for example, between social and agricultural expenditures, and for addressing new resource needs to deal with emerging challenges, such as climate change and urban poverty;

(h) Promote the joint assessment of trends and characteristics of aid flows and their impact on social indicators of rural development;

(i) The United Nations system should continue to involve the support of all United Nations agencies and programmes to national development strategies in order to ensure that all relevant dimensions of poverty and hunger are taken into account in those strategies;

(j) The United Nations system should also continue to pursue efforts to promote national participation in and ownership of poverty reduction strategies through its system-wide coordination mechanism and by promoting multi-stakeholder approaches to enhance the participation of local authorities, civil society organizations and the private sector.

Annex

Millennium Development Goal 1 (eradication of poverty and hunger): United Nations system initiatives

Food security and nutrition

- To accelerate progress towards Millennium Development Goal 1, the Executive Directors of the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) have established a senior-level inter-agency team, with strong support from the Food and Agriculture Organization of the United Nations (FAO) and civil society partners, known as the REACH: ending child hunger and undernutrition initiative. The team has developed a workplan to support Governments in scaling up evidence-based nutrition interventions, building on WHO-led analyses of country readiness to scale up such interventions, and other similar exercises. A strong focus on enhanced United Nations system collaboration and harmonization is part of the workplan. That approach is already being implemented in five countries in northern Sahel and will soon be developed in eastern and central Africa.

- WFP Food for Education programmes increasingly operate under the umbrella of the Essential Learning Package, a set of 12 interventions to improve the school health and nutrition of school-age children. The Package is based on the Focusing Resources on Effective School Health (FRESH) Framework, an intersectoral initiative, providing the context for effective implementation of access to health and nutrition services within school health programmes.

- The International Alliance against Hunger, a voluntary partnership among the Rome-based United Nations food agencies, non-governmental organizations, civil society organizations, private sector and other local, national and international actors, was officially launched during World Food Day, 16 October 2003, as a coordination mechanism to build multi-stakeholder platforms for advocacy against hunger. To date, there are 19 active national alliances and 25 more alliances in various stages of development, providing a forum for mobilizing a range of Government, United Nations and civil society actors.

- UNICEF, which is taking the lead on nutrition within the United Nations system, is working closely with other United Nations agencies, including WHO, WFP, FAO, as well as with the World Bank to harmonize strategies, policies and programmes to fight hunger.

- The United Nations University-World Institute for Development Economics Research is carrying out a study that looks at the problem of hunger from a combination of economic, social and political perspectives.

Rural and agricultural development

- FAO supports developing countries in establishing broad-based national and regional programmes for food security which bring together Government, non-governmental and international actors within a common framework. To

date, 30 national and 4 regional programmes have been formulated and approved through national processes and 15 national and 3 regional programmes are already under implementation. In Africa, the programmes are in specific support of the Comprehensive Africa Agriculture Development Programme of the New Partnership for Africa's Development.

- The International Labour Organization (ILO) Training for Rural Economic Empowerment (TREE) tool, implemented jointly by Government and private sector partners, is a community-based training programme for income generation and employment creation, targeting the most marginalized groups of society. It demonstrates how the limited opportunities for skills development in poor rural areas can be expanded and then linked to employment by identifying local potential economic opportunities, designing and delivering community-based training to take advantage of those opportunities and providing post-training services. The TREE programme is being adapted and implemented in Madagascar, Nepal, the Niger and Sri Lanka.

- The International Fund for Agricultural Development (IFAD) launched a $19-million-dollar project in Burkina Faso which will help approximately 20,000 poor rural households bolster their crop production and incomes by improving irrigation through a small-scale irrigation and water management project. The project will start with an information, education and communications campaign, which will increase the ability of participants to intensify and diversify crops as well as support marketing activities. The project is an example of the Fund's approach in its 184 ongoing projects, with financing of slightly less than $3 billion.

Employment

- ILO has addressed the employment needs of developing countries by focusing on strategies to encourage and support equitable growth. It has promoted policy dialogue and initiatives with relevant international organizations, Government and other partners with respect to growth, investment and employment to promote equitable growth strategies. Its Employment-intensive Investment Programme, which is operational in some 50 countries, assists Governments in developing and monitoring employment-intensive infrastructure programmes comprising the reinforcement of the capacity of the private sector, community-based organizations and line ministries in charge of such programmes.

Science and technology

- *The Least Developed Countries 2007 Report*, in which the United Nations Conference on Trade and Development (UNCTAD) focuses on knowledge, technological learning and innovation for development, provides a first comprehensive survey of the development of technological capabilities in the least developed countries, which are lagging most behind in the area of science and technology; the UNCTAD *Information Economy Report 2006* puts forward a pro-poor information and communications technology policy framework to

design and evaluate information and communications technology policies and assess their value in terms of their impact on people living in poverty.

- FAO and the International Telecommunication Union are taking the lead in the development of an e-agriculture information and communications technology application, as follow-up to the World Summit on the Information Society.

- The International Atomic Energy Agency (IAEA) specifically addresses the effective transfer of nuclear technologies and knowledge for sustainable development, concentrating on food and agriculture, human health, water resources, environment and industry. Over the last four years, specific thematic areas of IAEA technical cooperation to eradicate poverty and hunger included support to Member States' technical, research and regulatory institutions to play a valuable role in national development, safety and security. Input on nuclear science and technology helped build capacities in the following Millennium Development Goals-related areas: sustainable energy planning and development; food and agriculture; human nutrition and maternal health; and marine and terrestrial environmental protection.

Sustainable development

- The United Nations Environment Programme (UNEP) and ILO have worked on a joint UNEP-ILO study on "green jobs" that will be published in mid-2008; FAO, IFAD and ILO have worked on a methodology to assess the impact of climate change in rural areas for use in national climate change adaptation strategies, planned for 2008.

- The Secretariat of the United Nations Forum on Forests currently works with 14 other United Nations agencies, funds and programmes as well as leading international forest-related organizations through the Collaborative Partnership on Forests, an innovative partnership of 14 major forest-related international organizations, institutions and convention secretariats established in April 2001, to enhance collaboration and synergy. A number of collaborative activities undertaken through the Partnership seek to promote and enhance poverty alleviation and enhancement of livelihoods.

- The Collaborative Partnership on Forests has taken the lead in advancing sustainable forest management for the eradication of poverty and hunger. The adoption of the non-legally binding instrument on all types of forests, on 17 December 2007, has further advanced efforts to monitor the state of the world's forests and secure long-term political commitment to sustainable forest management.

Financing for development

- Ahead of the 2008 follow-up on the International Conference on Financing for Development, the UNCTAD *Trade and Development Report, 2008* examines the implications of the changes the world economy has undergone since the formulation of the Monterrey Consensus in 2002 for the challenges faced by developing countries in financing new productive capacities. It also looks at adapting the global partnership for development to new features of global

economic interdependence, reforming the international financial architecture and new approaches to mobilizing domestic financial resources.

- The UNCTAD project, "Mobilizing financial resources: developing local capacities for growth towards attaining the Millennium Development Goals in Africa", is expected to produce a policy handbook on enhancing the role of domestic resources in development; the 2007 UNCTAD report *Economic Development in Africa* (*Reclaiming Policy Space: Domestic Resource Mobilization and Developmental States*), examines the potential of African countries to increase their total domestic financial resource envelope in order to reduce dependence on official development assistance and diversify their development resources, and focuses on how to channel such resources into productive investments.

Other initiatives

The United Nations System Chief Executives Board and its High-level Committee on Programmes has initiated a series of consultations on how best to tackle the challenge of providing further impetus to system-wide support to Africa, including by ensuring harmonization and synergy among the various initiatives on African development.